

**Report and Recommendations for Nevada's Military Communities**  
**Prepared by the Governor's Military Council**  
**Fulfilling the Requirements of Executive Order 2013-14**  
**May 1, 2014**

**Introduction and Executive Summary:** The following report is the result of several months of meetings and deliberations of the Governor's Military Council (Council). It contains a general overview of the defense situation in Nevada, accounts of the Council's various meetings, and finally, policy recommendations for the Governor and the Legislature to consider ahead of the next Legislative Session. The data in this report as well as the recommendations are focused on improving Nevada's negotiation position in the event of a future Base Realignment and Closure (BRAC) process in the U.S. Congress.

The Governor's Military Council was created through an Executive Order signed by Governor Sandoval in September of 2013. Members of the Council represent the Nevada National Guard, the Nevada Department of Veterans Services, the Governor's Office of Economic Development, Nevada counties hosting military bases, the Nevada State Clearinghouse, and others. Advisory members from Nevada's major military bases—Hawthorne Army Depot, Fallon Naval Air Station, and Nellis Air Force Base, and Creech Air Force Base—also assisted as subject matter experts in the development of this report, though they did not have a voting role.

The Council's mission, as outlined in Executive Order 2013-14, is to "identify opportunities and prioritize recommendations with respect to how best to retain and continue to build Nevada's current military force capabilities and infrastructure." These recommendations are due to the Governor by May 1, 2014, in order to best inform the Governor's legislative agenda for the 78<sup>th</sup> Legislative Session in 2015. This report is intended to fulfill that reporting requirement.

The Council met numerous times since its creation to accomplish its mission. The meetings, often held in person and by teleconference in order to accommodate members from all over the state, consisted of high-level briefings of Nevada's military assets, discussions of the appropriate courses of action, and the development of the recommendations found within this report. The Council voted to approve this report for submission to Governor Sandoval at its final meeting on April 24, 2014.

In order to maintain its focus on the requirements and constraints outlined in the founding Executive Order, the Council developed several "guiding principles." These principles, based on Governor Sandoval's statewide vision, mission, and objectives, state that the Council's recommendations will be based on "issues related to economic development" in order to maintain a coherent focus; that the Council's recommendations will be focused on retaining

Nevada's current defense infrastructure while developing opportunities for future growth as the national military mission evolves; and that, given its short time frame, the Council's recommendations will be focused on further fortifying existing deliberative and coordinating bodies and developing future bodies and relationships to continue the efforts started by the Governor's Military Council, and further, empowering those groups to do so through an organized, data-driven approach.

Accordingly, the Council's recommendations, which were based on the input of the experts who briefed the group, the personal experiences of the members, and the findings developed during the Council meetings, focus on three major areas. The first major area is the creation and funding of an ongoing standing committee to carry the initial work of the Governor's Military Council forward upon its conclusion. This entails the formation of a formal, ongoing body that focuses on issues related to BRAC, and one that can also serve as a coordinating body between Nevada's military entities. This recommendation also calls for the codification and funding of other bodies that have existed by Executive Order for years.

The second major area is the appropriation of funding to conduct a study or studies to update economic impacts surrounding each of Nevada's Active, Guard, and Reserve component activities. The most recent studies conducted are from 2011, and they are not focused on protecting and developing Nevada's defense infrastructure as much as they are simply describing the state of the defense landscape in the state. In order for Nevada to be in the best position possible, the standing committee created in the previous recommendation must have the most up-to-date and expansive data available.

The third major area is a general category intended to capture specific recommendations made by the Council. The recommendations in this section, in keeping with the Council's guiding principles, are focused on issues related to economic development. Specifically, they suggest opportunities for political subdivisions to provide support for their existing military bases, and for the state to provide defense contractors incentives to increase their business operations within the state.

The Council urges that these recommendations be considered together, and not as stand-alone items. Although they will invariably change as they go from recommendations to formal policy through Executive Order or the legislative process, the Council believes that all parts are necessary for addressing the significant challenges facing Nevada's military infrastructure, and indeed, the nation's military infrastructure. A standing committee, for instance, cannot be as effective if it does not have the requisite data, and Nevada's military communities need to be further empowered to engage in

supporting their bases with all available means as far ahead of the next BRAC cycle as possible.

The Council would like to reiterate, as it does several times throughout this report, that this is only an initial report. Though it is intended to fulfill the requirements of the founding Executive Order, much more work must be done in the future to build upon the efforts, developments, and successes created by this Council. Because Defense is the fourth largest industry in the state, the Council believes that the call for investments in this area is justified and will yield a significant return for the State.

**Guiding principles:** The Governor's Military Council embraces the Governor's statewide mission to "create a new promise of opportunity" as it applies to Nevada's defense infrastructure and military communities. This mission is supported by the strategic priorities "sustainable and growing economy," "educated and healthy citizenry," "safe and livable communities," and "efficient and responsive state government."

Accordingly, the guiding principles of the Governor's Military Council are:

- In order to best navigate the complex Base Realignment and Closure (BRAC) process, the Council will focus primarily on issues, initiatives, and recommendations related to economic development throughout Nevada.
- Per the establishing Executive Order, the Council is committed to its focus is to retain and continue to build Nevada's current military capabilities and infrastructure.
- Due to its short deliverable timeframe, the Council will focus on establishing the foundation for this effort, allowing for 2-, 4-, and 8-year strategies to be developed and executed by future entities and strategic planning iterations.
- The Council believes that data is central to future efforts related to the Base Realignment and Closure process, and that early efforts should focus on identifying important data with respect to economic impact of military infrastructure, areas at risk, potential tradespaces, and regional complexities.

**Background:** As American involvement in the wars of Iraq and Afghanistan draw to a close, an unprecedented number of service members, veterans, and their families are returning home and reintegrating into communities across the nation. Additionally, the Department of Defense's posture will begin to change to address new challenges and threats. Both of these realities create significant

challenges and opportunities to the State of Nevada as well as the service members who wish to transition from the military into communities throughout the state.

The Department of Defense represents the fourth largest industry within the State of Nevada, and as such, it remains a key strategic focus area for Nevada's economy going forward. With the possibility of the U.S. Congress conducting another BRAC commission as early as 2017, Nevada must work to ensure that this key industry receives appropriate attention. This will not only ensure that Nevada's economy remains strong in order to provide the transitioning service members "a new promise of opportunity" no matter the field they choose, but also that Nevada continues to be able to provide these service members and veterans opportunities in fields that match their military expertise and training.

In order to best further address the challenges and opportunities each of these new dynamics will bring to the State of Nevada, Governor Brian Sandoval has proclaimed 2014 to be the "Year of the Veteran," focusing the State's service providers and leaders on implementing policies that will enhance the military and veteran experience in Nevada communities. Governor Sandoval has made it his stated goal to make Nevada the most military- and veteran-friendly state in the nation. This means improving collaboration between state agencies, and between state, local, and federal entities. It also means reaching out to Nevada's veteran and service member communities to identify the challenges and potential solutions. It will also serve as a key part of Nevada's narrative when making the case for protecting its bases and defense infrastructure in future rounds of BRAC.

Much of this effort has taken shape under the Green Zone Initiative (GZI), which seeks to make the State of Nevada a "Green Zone" for those service members and veterans returning home as well as for those service members already stationed here. The GZI has established a statewide architecture aimed at marshalling all of the existing programs and resources throughout the state while also increasing collaboration between state, local, and federal entities. A crucial part of the GZI is also the development of policy recommendations aimed at improving Nevada's service delivery to service members, veterans, and their families, which has largely been developed through the creation of several key advisory councils.

One such council is the Governor's Military Council, which was created by Executive Order 2013-14 on September 18, 2013. According to the Executive Order, the mission of the Council is to "identify opportunities and prioritize recommendations with respect to how best to retain and continue to build Nevada's current military force capabilities and infrastructure." The report and recommendations are due to the Governor in order to best inform the

Governor's legislative agenda for Nevada's military communities ahead of the 78<sup>th</sup> Legislative Session in 2015.

The Council is co-chaired by the Director of the Nevada Department of Veterans Services and the Adjutant General of the Nevada National Guard. Its membership consists of a number of representatives from numerous agencies throughout Nevada, including representatives from the Governor's Office, the National Guard, retired military leaders, leaders from Nevada's military communities, State Lands, the Southwest Defense Alliance, and others. The order requires that the Governor appoint members, the Council meet regularly, and that it deliver a report to the Governor before May 1, 2014. Biographies for each of the Governor's appointees to the Council can be found in **Appendix A** of this report.

In order to meet its mandate, the Council met four times after the membership appointments were made to gather information and to develop and discuss recommendations. All four of the meetings were held at the Adjutant General's conference room at the Joint Forces Headquarters in Carson City, with teleconferencing available to those unable to attend in person. In accordance with Nevada Open Meeting Law, agendas, minutes, and other meeting materials are available through the Nevada Department of Veterans Services' Website.

The Council's first meeting was held on January 22, 2014, at 3:00 PM. The meeting began with an overview of the Council's mission, purpose, and goals, and moved into a discussion on the potential of the establishment of a federal BRAC commission and hearings. In light of the potential of these BRAC hearings, the Council agreed to focus its energies on gathering information in order to find ways to attract more military activity and consider community impact, both locally and statewide.

The Council's second meeting was held on March 7, 2014, at 2:00 PM. The meeting began with an overview of federal and state military assets in Nevada, and then moved to reports on defense assets by members representing the Southwest Defense Alliance and the Governor's Office of Economic Development. Following a brief overview of the Governor's Military Community Survey, which was released on Veterans Day, 2013, the Governor's representative on the Council led a discussion on the final report format and organization, to include potential recommendations that had been developed to date.

The Council's third meeting was held on March 27, 2014, at 2:00 PM. Following introductory actions and remarks, the Council spent the majority of the meeting going through the policy recommendations that had been compiled prior to the meeting. Council members agreed on a final set of basic recommendations in very general terms by removing duplication, unnecessary

recommendations, and recommendations that fell outside of the Council's specific scope.

The Council's fourth meeting was held on April 24, 2014, at 2:00 PM. The Council spent the majority of the meeting reviewing the contents of this report and developing the final set of policy recommendations. At the close of this meeting, the Council voted to approve this report and its recommendations for submittal to Governor Sandoval by May 1, 2014, as required by Executive Order 2013-14.

**Findings—Defense Situation in Nevada:** In recent years, the federal government has made it clear that it intends to reduce the Department of Defense's (DoD) budget. Some of these cuts have already begun, coming in the form of "sequestration" cuts, with future cuts potentially coming through the BRAC process. Recently, Secretary of Defense Chuck Hagel shed even more light on how these cuts may take place, announcing that "recommendations beyond fiscal year 2015 provide a realistic alternative to sequestration-level cuts, sustaining adequate readiness and modernization most relevant to strategic priorities over the long term, but this can only be achieved by the strategic balance of reforms and reductions."

The "strategic balance of reforms and reductions" will likely include countless considerations, but many believe that achieving such a balance will require base realignments and closures, changes to the current and future national ship and aircraft inventory, weapons program cancellations, and restructuring of troop and retiree pay and benefits. This momentous shift in Defense strategy and resourcing will undoubtedly have an economic impact on the State of Nevada, though it need not necessarily be a negative one. The following report outlines the current economic environment for Nevada's Defense communities and infrastructure, and in doing so, outlines the potential economic impacts that these cuts will have to each specific Defense installation in Nevada.

According to recent studies, DoD-related economic development is the fourth largest industry in the State of Nevada, representing billions of dollars to the Nevada economy. This impact spans civilian and military workforces, and exists in communities throughout the state. A few representative examples are below:

- The DoD budget in Nevada accounted for 53,000 jobs, \$28 billion in increased economic output, \$9 billion in increased personal earnings, \$307 million in increased state taxes;
- Defense industries provided 6.2% of all non-farm state employment in 2009;

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- Civilian DoD employee furloughs due to sequestration resulted in a reduction of \$300 million in FY 2013; and,
- Sierra Nevada Corporation, a Sparks, Nevada-based defense contractor, received largest dollar volume of prime contract awards in Nevada at \$134,311,000.

Generally, the DoD landscape in Nevada consists of Creech Air Force Base, Hawthorne Army Depot, Naval Air Station Fallon, Nellis Air Force Base, and the Nevada National Guard (Air and Army Components). While there are various other assets in Nevada, these organizations and facilities represent the greatest economic impact on the state in terms of workforce, investment, and potential opportunity. A brief description of each major military asset in Nevada is provided below.

**Creech Air Force Base:** The Creech Air Force Base mission is primarily training, maintaining, and operating unmanned aerial vehicles (UAV) for the U.S. Air Force. Creech is located in Indian Springs, Nevada. It is home to several Air Force and Nevada National Guard units.

According to a report by the Southwest Defense Alliance, Creech is home to nearly 2,090 personnel, many of whom also have families living in the area. This means that Creech represents not only significant military investment in terms of infrastructure, but also in terms of civilian and military jobs. The economic impact of these service members and families cannot only be felt in the Indian Springs area, but also in Las Vegas, which is approximately 45 miles southeast of the base.

According to a report developed for the Governor's Office of Economic Development in 2011, there was at one time a concern of a potential downward trend in UAV use and development as the wars in Iraq and Afghanistan come to a close. However, in October of 2013, the Creech commander announced that their MQ-1 Predator and MQ-9 Reaper remotely piloted aircraft had flown an accumulated two million flight hours. According to their press release, it had taken 16 years for the Creech community to accumulate one million hours of flight time and just a few years to accumulate two million, demonstrating the remarkable evolution and future potential of UAV systems.

There are additional reasons to believe that this concern may be outdated. On December 31, 2013, Governor Sandoval announced that the Governor's Office of Economic Development's hard work in preceding years to secure the Federal Aviation Administration's drone testing site designation had paid off, with testing at two Nevada airports to begin shortly thereafter. This new industry will not only support in highlighting Nevada's enormous UAV/UAS

support capabilities, but will also provide service members separating from locations like Creech excellent civilian employment opportunities without having to move out of Nevada.

**Hawthorne Army Depot:** The Hawthorne Army Depot (HWAD) is a U.S. Army ammunition storage facility located in Hawthorne, Nevada. HWAD has three ammunition production and storage areas along with various other personnel and logistical facilities. Facility capabilities include demilitarization or renovation of ammunition, desert military training, ammunition quality assurance, range scrap processing, and others. HWAD also provides for the storage of the entire DOD owned strategic stock of elemental mercury.

HWAD is the largest employer in Mineral County, averaging 600 jobs annually, or 45% of Mineral County employment and 54% of its payroll. The current operating contract for operation, maintenance, and restoration of HWAD is valued at \$33 million per year with an additional flexible workload which averages an additional \$30 million per year. In addition, the depot provides an additional \$12 million per year in economic activity through purchase of sub-contracted services and supplies. HWAD is home to only one active duty military member and the other employees at Hawthorne are military contractors and DoD civilians.

HWAD covers 147,236 acres of Nevada. It has over 400 support buildings, and nearly 2,100 magazines that provide an explosive storage capacity of 7,685,000 square feet.

In 2005, HWAD was dangerously close to being closed in the 2005 BRAC cycle, but was spared due to the impact base closure would have on Mineral County. According to the 2011 GOED report, an estimated 879 of the 1,800 highest-paying jobs in the city of Hawthorne would have been lost. Additionally, the closure of Hawthorne Army Depot may have also led to the closure of a hospital in western central Nevada, as well as a school.

Based on the 2005 BRAC, estimated closure costs would exceed \$840 million and reach as high as \$1.2 billion. This estimate includes \$500 million to construct required storage capacity at other depots, \$380 million for environmental restoration of industrial areas and \$325 million for environmental clean-up of active ranges. An additional \$157-\$340 million for construction of comparable demilitarization capability at other depots and \$390 million to demilitarize currently on-hand stocks could also be required, raising closure costs to \$2 billion.

**Naval Air Station Fallon:** With a mission of training pilots and support staff in air-to-air and air-to-ground combat, Naval Air Station Fallon remains the U.S. Navy's premier tactical air warfare training center in the nation. Located in Fallon,



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Nevada, NAS Fallon is home to numerous Naval training units, contractors, and a robust military family community. According to their official Website, NAS Fallon "is the only facility in existence where an entire carrier air wing can conduct comprehensive training while integrating every element of the wing into realistic battle scenarios."

In addition to being a premier training center nationally, NAS Fallon is also the economic heart of Churchill County, providing between 40% and 50% of the County's economic base. DoD and contractors associated with NAS Fallon are among the largest employers in the county, amounting to nearly 4,000 local jobs. According to a report provided to the Council by the NAS-Fallon command, the total economic impact of NAS Fallon to the regional economy in 2008 was \$573 million, approximately \$64 million of which is in payroll expenditures. Additionally, NAS Fallon provided approximately \$17 million in state and local tax revenues.

**Nellis Air Force Base:** Nellis Air Force Base, known as the "Home of the Fighter Pilot," is home to more squadrons than any other U.S. Air Force Base in the world. Located in Las Vegas, Nevada, Nellis is often referred to as the flagship base of the U.S. Air Force. It is home to combat units, the "Red Flag" training exercise, the U.S. Air Force Weapons School, and other military units, capabilities, and resources.

Nellis' footprint expands well beyond the Las Vegas area into most of southern Nevada. It manages Creech Air Force Base, various nearby ranges, and is associated with the support of the nearby Nevada Test and Training Range (Department of Energy). In addition to the numerous training, support, and operational units housed there, Nellis is also the home to a large military family community.

Nellis AFB has a substantial economic impact on the State of Nevada. It is home to approximately 12,000 military and civilian employees. The base contributes more than \$5 billion to the Nevada economy annually. This amount includes approximately \$850 million in annual payroll expenditures, as well as the purchase of construction materials and supplies, fuel, food, parts and electrical supplies from local vendors.

**Nevada National Guard:** The National Defense Act of 1947 established the Army National Guard, Air National Guard, and Reserve components of the U.S. Army and Air Force. Under Title 32 status, National Guard may be ordered into action by the Governor in response to disasters, while under Title 10 status, they can be mobilized by the President to activate in the national defense. The Air and Army Components of the Nevada National Guard have facilities located throughout the state, and due to the nature of their service model, National Guard

members and their families are members of nearly every community within Nevada.

The state portion of the Nevada National Guard's missions, facilities, and training is overseen by the Nevada Office of the Military. This means that State of Nevada employees provide administrative support (personnel management, accounting, security, and maintenance and custodial services), as well as other support to the Nevada National Guard for all facilities assigned to the Office of the Military. The Nevada National Guard also hosts a number of conferences and symposia throughout the year bringing additional revenue into the state. In FY2012, for example, the Guard generated an estimated \$2,384,500 for local venues and establishments.

Each component of the Nevada National Guard accounts for considerable impact to the Nevada economy. The Nevada Air National Guard component employs 371 full-time members, including federal technicians and Active Guard and Reserve airmen, resulting in over \$29 million in payroll expenditures for FY2012. The total Air National Guard Expenses for the same time period were nearly \$60 million. The Army National Guard component employs 546 full-time members and is one of the largest government employees in the State of Nevada, resulting in over \$76 million in payroll expenditures for FY2012. Total Nevada Army National Guard expenses for the same time period were over \$123 million.

**Prioritized Recommendations:** During the various telephone and in-person meetings of the Council, the Council conducted several brainstorming sessions to develop recommendations to the Governor and the Legislature ahead of the next legislative session. The recommendations, below, were based on the input of the experts who briefed the group, various existing reports, the personal experiences of the members, and the findings developed during the Council meetings.

#### **A. Creation of a New Standing Committee and Augmenting Existing Councils**

Members of the Governor's Military Council found that the increased collaboration, shared expertise, and statewide focus developed during the Executive Order phase were extremely valuable and present a potential value in the future as well. The Council is sensitive to the reality that creating new councils and advisory committees can often duplicate efforts of existing public bodies, and that councils or committees without a mission, focus, and tangible deliverables can often result in fruitless meetings. Through the recommendations below under this section, the Council attempts to address the former concern, while the recommendations in Section B aim to address the latter concern.

**Recommendation 1. Create and fund a standing committee to further prepare for a potential BRAC in the future.**

The State of Nevada should pass legislation creating a standing committee to continue the efforts of the Governor's Military Council after it ceases in 2014. The duties of the standing committee should be to oversee the report writing process discussed in the recommendation below, to provide leadership in preparation leading up to and during BRAC cycles in 2017 and later, and preparing Nevada's argument, narrative, and outreach capability during the BRAC cycles.

Because it is recommended that this standing committee be created in statute, it should also have additional duties for when it is not addressing issues related to BRAC. Much like the Interagency Council on Veterans Affairs, the standing committee should also be tasked with identifying priorities, sharing information, increasing collaboration, and forming a sustained network for Nevada's military communities. This will increase support from state service providers and also provide an outlet for and policy development in future legislative sessions.

The standing committee should be modeled after the Governor's Military Council and the Interagency Council on Veterans Affairs. Like the Governor's Military Council, its members should include representatives from the Joint Military Advisory Committee, the State Land Use Planning Advisory Committee, the Nevada National Guard, the Nevada Department of Veterans Services, the Southwest Defense Alliance, companies in Nevada's defense industry, and retired military leaders. Like the Interagency Council on Veterans Affairs, the standing committee should be required to provide an annual report to the Governor and the Legislature.

**Recommendation 2. Fund a part-time executive director for the standing committee.**

In conjunction with the legislation establishing a standing committee mentioned in Recommendation 1, above, the legislature should consider an appropriation for a executive director to provide staff support. As pointed out throughout this report, Nevada's defense infrastructure is Nevada's fourth-largest industry, and it should be considered a strategic necessity to invest in protecting this statewide asset in a serious way. The executive director position would be part-time, and it would be responsibly for staffing meetings, carrying out the wishes of the standing committee and its chair, and providing research and other support between the meetings.

**Recommendation 3. Create funding (travel and per diem) for Nevada's appointees to the Southwest Defense Alliance.**

The Southwest Defense Alliance (SDA) is a non-profit formed in 1998 to preserve and enhance critical defense missions and assets in the American southwest. They communicate with local, state, and federal elected officials to provide them with key information on the military assets in their region. The SDA's focus area includes Arizona, California, Nevada, New Mexico, Texas, and Utah.

Nevada is currently represented by three members on the SDA. These retired military leaders provide the SDA with Nevada's perspective and serve as a conduit for the informational benefits of the SDA to leaders and policymakers within Nevada. The SDA conducted one of the most recent and thorough analyses of Nevada's defense infrastructure, much of which is referenced throughout this report.

Nevada's SDA members currently pay for all travel associated with activities of the Southwest Defense Alliance. While they have been able to do this for several years now, such personal expense does amount to a barrier, and could possibly decrease future involvement from retired military leaders in the state. The value to Nevada provided by the SDA is significant, and the cost to the state would be minimal to ensure that this resource remains available into the future.

**Recommendation 4. Create the Joint Military Advisory Committee in statute.**

The Joint Military Affairs Committee (JMAC) is a standing committee made up of state, local, and federal representatives. They meet twice a year to de-conflict land use and other issues related to military bases and military communities within the state. The JMAC is staffed by the Nevada State Clearinghouse.

The purposes of the Nevada Joint Military Affairs Committee are to:

- Maintain effective communication and working relationships between the State of Nevada, Department of Defense branches, Department of Energy, and the federal land management agencies that manage installations and lands in Nevada.
- Discuss plans of mutual interest and, when appropriate, propose actions to address significant issues.

The JMAC arose out of the "Special Nevada Report" in 1991 and has existed ever since. While the Executive Order has provided the necessary structure to

maintain the JMAC so far, this does not guarantee its existence into the future. The Governor's Military Council recognizes the value of such a body and recommends that it be codified in its present form in statute.

## **B. Conduct an Extensive Study of Nevada's Defense Infrastructure**

As stated in the Council's guiding principles, "the Council believes that data is central to future efforts related to [BRAC], and that early efforts should focus on identifying important data with respect to economic impact of military infrastructure, areas at risk, potential tradespaces, and regional complexities." Further, if the standing committee recommended in the section above is created, it will need to have outside assistance in developing an argument based on Nevada's current and potential inventory. While they should be ultimately responsible for developing the report, competing duties and constraints will likely not allow them to actually conduct the research and synthesis necessary for such a crucial part of Nevada's economy.

### **Recommendation 1. Appropriate funding to conduct a study to update economic impacts surrounding each of Nevada's Active, Guard, and Reserve component activities.**

The State of Nevada should appropriate funding for a private research firm to conduct a detailed study of Nevada's defense infrastructure ahead of the next BRAC cycle. In a general sense, this study should details the challenges and opportunities facing the state, the possible arguments that Nevada should use to preserve and grow its defense infrastructure footprint, and identify key messengers and strategies for those arguments. More specifically, the standing committee recommended above should determine the make-up of this study, and they should consider the following questions to focus their work:

1. What is the real and updated economic impact of Nevada's defense infrastructure?
2. What are Nevada's priority military bases in terms of economic impact?
3. What is the economic impact of Sierra Army Depot in Herlong, CA on Washoe County?
4. What are the economic opportunities presented by potentially relocating assets from other states or future assets in Nevada (for example, Herlong, UAVs, etc.)?
5. What narratives should be used to preserve and grow Nevada's defense infrastructure footprint?
6. Why are Nevada's military assets crucial to the national defense?

7. How do the listed BRAC requirements present challenges to Nevada's military assets?
8. How do Nevada's military assets support the strategic vision provided by the Quarterly Defense Review?
9. How can the Nevada Commission on Tourism and the Governor's Office of Economic Development work together to develop talking points for each major audience when a BRAC cycle is announced?
10. What should Nevada's high level communications strategy be?
11. Who are the high-level messengers that should be engaged to carry this message back to Washington D.C. when a BRAC cycle begins?

### **C. Economic Development Recommendations**

While the standing committees and the report above provide key tools for continuing the mission of the Governor's Military Council after it ceases to exist in 2104, military communities throughout the state need to be further empowered to support the military bases they host. This approach will help Nevada's military communities support and further develop their bases through real investment and improvement opportunities at the local level. With a BRAC cycle beginning in 2017, they should be allowed to do so as quickly as possible.

#### **Recommendation 1. Create Military Facility Zones.**

Based on legislation in Alaska and other states, military communities throughout the state should be allowed to apply for designation as a Military Facility Zone. Through application with the Governor's Office of Economic Development, these districts would have access to New Market Funds, Battle Born Venture Fund program, and so on. The opportunities would allow them to continue to build local infrastructure in support of the military members and their families and further show the local investment being made to support the military investment in their community and directly enhance the base's ability to fulfill its mission in our state.

#### **Recommendation 2. Create secondary contract Incentive.**

Due to the aforementioned DoD facilities and assets sited in Nevada, in addition to the U.S. DOE National Nuclear Security Site, many large and highly-regarded government contract corporations have a presence in Nevada. Many of the companies do business in Nevada to service the federal client, most commonly, but not exclusively, as government-owned, contractor-operated (GOCO) ammunition entities. Interestingly, some of these companies are sited in Nevada

solely to support a federal contract and do not have a presence independent of their GOCO function. Unfortunately, when a new GOCO contract is awarded, the new corporation often assumes managerial responsibilities at the federal facility with no net gain in Nevada jobs as a result of the new contract. That is, the existing contracted employees simply continue their employment under the new GOCO contractor.

The State should encourage these companies to develop and site independent programs in Nevada that would exist and operate independent of the GOCO contract. In order to do so, the State of Nevada should investigate the feasibility of a tax abatement structure whereby companies that expand into the State to service a federal contract should be provided a financial incentive to also expand or relocate other programs that are not related to their original GOCO function, thereby created new opportunities for employment under other federal contracts within the state.

**Conclusion:** This report fulfills the requirements outlined in Executive Order 2013-14 signed by Governor Brian Sandoval on September 18, 2013. It outlines the activities of the Governor's Military Council, it provides detailed findings, and it identifies and prioritizes the needs for protecting and developing Nevada's defense infrastructure. It also makes recommendations for further improvement within the scope outlined for the Council within the Executive Order, either through the creation of future entities to carry this work forward or by providing for the tools to do so.

As with many reports of this nature, the Council believes that the prioritized recommendations are the most important aspect of this report. The Council was careful to consider the unique challenges and opportunities facing the state as well as the individual military bases and communities within the state, especially as those challenges and opportunities pertained to economic development opportunities. Although the recommendations developed by the Council are individually significant and substantive, the Council encourages policymakers to consider these recommendations as merely initial steps towards addressing the significant challenges that a future Base Realignment and Closure process would pose to Nevada and its fourth largest industry.

This future work is crucial for many well-established reasons listed within this report. Following more than a decade of war in the Middle East, the nation is anticipating in the process of rebalancing or pivoting to the Pacific Theater; the Department of Defense is actively discussing cuts to troops, systems, and benefits in order to meet its budgetary constraints, and indeed, some action has already been taken towards these areas; and finally, a BRAC is already being discussed by the U.S. Congress for as early as 2017. The Council believes that it

provides an appropriate level of focus and detail to allow future standing committees to build upon the momentum already created.



## **Appendix A: Member Biographies for the Governor's Military Council**

**Co-Chair**—Colonel (Retired) Katherine Miller was raised in Reno and served 34 years in the U.S. Army. Starting as an enlisted soldier, she culminated her military service with assignments as a military police brigade commander serving in the United States and in Afghanistan and as the Commander of the Department of Defense's largest correctional organization. After retiring she taught college at the University of Maryland and the University of Nevada, Reno. She served as the Deputy Director for the Nevada Department of Veterans Services prior to accepting appointment from Governor Brian Sandoval as the agency's Director.

**Co-Chair**—Brigadier General William R. Burks is the Adjutant General for the State of Nevada. As Adjutant General, he is the senior uniformed Nevada National Guard officer responsible for formulating, developing and coordinating all policies, programs and plans affecting more than 4,000 Nevada Army and Air National Guard personnel. Appointed by Governor Brian Sandoval, General Burks serves as his principal adviser on all National Guard issues.

**Member**—Nancy Amundsen is the Director of the Clark County Department of Comprehensive Planning. Under her leadership, the Department provides services to customers in the areas of Current Planning, Advanced Planning, Economic Development, the Desert Conservation Program (MSHCP), and impact assessments of the Yucca Mountain Nuclear Waste Program. She has worked for Clark County since 2006. Mrs. Amundsen has served in a variety of positions in the field of land use planning and zoning since 1995, holding positions in both Maryland and Florida. In addition, she has experience and an understanding of the important relationship between land use planning and its potential impacts to military installations due to her positions in Harford County, MD (Aberdeen Proving Grounds), Panama City, FL (Tyndall Air Force Base, USCG, and NAVSEA), and Clark County, NV (Nellis Air Force Base). She received a Bachelor's Degree in Political Science/Pre-Law from the University of Central Florida and a Master of Public Administration from the University of Baltimore. Mrs. Amundsen enjoys cycling and exploring the beautiful wilderness of Nevada.

**Member**—Major General (Retired) Ron Bath began his military career in 1968 as a boiler operator and heating specialist in the enlisted ranks of the Nevada Air National Guard. During the 1997 QDR, he was the Air National Guard assistant to the director for the Air Force effort. Bath was one of 16 senior military officers representing the four services and the single National Guard officer assigned as professional staff to the 1995 congressionally mandated Commission on Roles

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**Prepared by the Governor's Military Council**

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and Missions of the Armed Forces. Having been a traditional guardsman and air technician, Bath is a command pilot with more than 3,500 flying hours in the RF-101 and RF-4 Phantom II. He flew 31 combat missions in Operation Desert Storm, during the Persian Gulf War.

**Member—**Caleb Cage is the Director of Military and Veterans Policy within the Office of the Governor. Prior to joining the Governor's Office, Cage was the Executive Director of the Nevada Office of Veterans Services (now the Nevada Department of Veterans Services). There, in addition to leading the State's veteran home, veteran cemetery, and veteran service officer programs, he helped establish the State's veteran outreach and collaboration effort, the Green Zone Initiative. Before serving with the Nevada Office of Veterans Services, Cage served as a policy advisor in the Office of the Lieutenant Governor, with a focus on veteran and rural issues. A Reno native, Cage spent five years in the U.S. Army, with two tours in Iraq.

**Member—**Skip Canfield has been a practicing professional land use and natural resources planner since 1988, upon graduation from Arizona State University with a Bachelor of Science in Design in Urban Planning. Skip's planning career has included work with City of Phoenix Planning Department, Washoe County Department of Comprehensive Planning, Zoning Administrator for City of Carson City, Tahoe Regional Planning Agency as well as a number of years as a land use and natural resources planning consultant in the private sector. This background led to Skip's current position with the Nevada Division of State Lands as program manager of the State Land Use Planning Agency and the Nevada State Clearinghouse. In this capacity, Skip represents the State on public lands and natural resource issues, acts as facilitator of projects and processes involving the interaction between local, State and federal agencies, and provides a wide range of land use and natural resources technical assistance to governmental entities. He is an avid outdoorsman with a passion for everything that is Nevada.

**Member—**Commissioner Cliff Cichowlaz's career began with a tour in Vietnam where he served as a Sergeant in the 1<sup>st</sup> Calvary Division and earned many medals, including the Silver Star for valor. Shortly after he returned home, Cliff went to work at the Hawthorne Naval Ammunition Depot (NAD), and a decade later, the Army contracted out the Depot and Cliff continued with the Depot's new civilian contractor, Day & Zimmermann Basil Corporation (DZB). During his lengthy career at the Depot, Cliff served as Manager of Engineering and became Director of Conventional Ammunition Logistics and Demilitarization. Over the years that followed, he continued to be promoted, until eventually assuming

the position of Senior Vice President of SOC, LLC. In 2012, Cliff was elected to serve as a County Commissioner in Mineral County.

**Member—**Dr. Anne Davis is a native of Michigan. She graduated from the United States Military Academy in 1982 earning a Bachelor of Science degree and a commission as a second lieutenant in the Ordnance Corps. She served in the Army for 29 years in various locations and positions. She commanded the Hawthorne Army Depot from 2000-2002, a government-owned, contractor-operated (GOCO) ammunition depot located in Hawthorne, Nevada. Anne Davis earned an MBA from Harvard Business School in 1991 and her Ph.D. in Business from The City University of New York in 2005. She is currently a member of the faculty for Walden University's Doctor of Business Administration Program.

**Member—**Brigadier General Michael Hanifan was appointed as Commander of the Army National Guard in 2013. General Hanifan was commissioned in 1986 upon graduation from the United States Military Academy at West Point with a degree in engineering physics. Following his commission, General Hanifan has been activated four times for more than four combined years since 9/11 to serve in various positions. A Nevada native, General Hanifan joined Bently Nevada as a marketing specialist and later moved to their engineering team. He is currently the engineering manager for sustaining, including hardware, software, custom products and failure analysis.

**Member—**Eleanor Lockwood has lived in Churchill County since 1997, when she joined the Churchill County Planning Department as Assistant Planner. She holds a Master's of Science in Agricultural Development from the University of London and a Bachelor's of Natural Resources in Land Use Planning from the University of New England, Australia. Her work experience prior to moving to Nevada has included development and implementation of a national land use plan in Botswana; working with UNICEF on the development of a water and sanitation program in drought stricken areas of southern Zambia; and current and long range planning activities in the Town of Wake Forest, North Carolina. On September 3, 2012, Eleanor was appointed as Churchill County Manager.

**Member—**Brigadier General (Retired) Frank Partlow retired from the U.S. Army in 1990 following a career of 34 years. During 2009-2012, he was an independent consultant on Nevada economic development and education reform. He was Executive Director of the Nevada Spending and Government Efficiency (SAGE) Commission, 2008-2009. From 2002-2005, he held a Presidential appointment as Chief of Staff of the U.S. Government Printing Office, a 3500-employee federal agency in Washington, D.C. From 1991-2002, Frank founded and was Executive

Director of the Northern Nevada Network, an association of Nevada CEO's. He was educated at United States Military Academy, Stanford and Harvard. He holds the U.S. Defense Distinguished Service Medal.

**Member**—Brigadier General David Snyder is the Commander of the Air National Guard in Nevada. As Commander, General Snyder is responsible for formulating, developing and coordinating all policies, programs and plans affecting more than 1,100 Nevada Air National Guard personnel and the C-130, F-15, MQ-1/9, and Distributed Common Ground Station weapons systems. Appointed by the Adjutant General, State of Nevada, General Snyder serves as the Adjutant General's principle adviser on all Air National Guard issues, is responsible for both the federal and state missions of the Nevada Air National Guard, and serves as the official channel of communication with the National Guard Bureau and Department of the Air Force.

**Member**—Thomas Wilczek possesses greater than 25 years of experience in defense, energy, environmental, aerospace, and construction law, management, and engineering matters. He supported numerous mission-critical programs for the U.S. Department of Energy, U.S. Department of Defense, National Nuclear Security Administration, and regional and local governments throughout the American West. He managed select federal characterization and remediation programs at the Nevada Test Site, Nellis Air Force Base, Tonopah Test Range, and the Hanford Nuclear Reservation. He represented the Nevada State Office of Energy in the advancement of renewable energy bills in the Nevada legislature and was registered lobbyist in previous legislative sessions.

**Advisory members include:**

- Colonel Barry Cornish, Commander, Nellis Air Force Base
- Lieutenant Colonel Craig Short, Commander, Hawthorne Army Depot
- Captain Leif Steinbaugh, Commander, Naval Air Station Fallon